

**BILL #** HB 2430

**TITLE:** homeowners' associations; registrations;  
disclosure

**SPONSOR:** Campbell

**STATUS:** As Introduced

**PREPARED BY:** Juan Beltran

## **FISCAL ANALYSIS**

### **Description**

The bill requires homeowners associations (HOA) for condominiums and planned communities to register with the Secretary of State (SOS). Information provided by the HOA in regard to the condominium or planned community shall be posted on the SOS' official website. The bill does not apply to timeshare plans.

### **Estimated Impact**

The Secretary of State reports that the bill could result in approximately \$35,800 in additional expenses in FY 2010 and approximately \$11,600 in ongoing expenses beginning in FY 2011.

### **Analysis**

Under current law, an HOA is required to record with its county recorder the name of the HOA, whether the HOA has a designated agent or management company, and its address and telephone number.

Beginning January 1, 2010, the bill requires HOAs for both condominiums and planned communities to register with the SOS and provide them with the information above as well as:

- 1) The number of units.
- 2) The cross streets for its location.
- 3) The year it was established.

HOAs would no longer need to submit information with county recorders.

Information provided by the Arizona Association of Community Managers states that as of July 2007, there were at least 8,900 HOAs recorded with local county recorders throughout the state.

According to SOS, the bill could result in approximately \$35,800 in additional expenses in FY 2010. SOS estimates that it would cost approximately \$30,000 to create a searchable online database to be operational by March 1, 2010, and approximately \$5,800 in staffing costs for FY 2010. For FY 2011 and thereafter, SOS estimates that 416 hours per year at \$28 per hour would be required to operate and maintain the database. This would result in ongoing staffing expenses of \$11,600.

### **Local Government Impact**

Since the bill transfers the responsibility for accepting and processing HOA notices from individual county recorders to SOS, it will slightly decrease the workload for individual county recorders.